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ALBANIA

COST OF LIVING AND PURCHASE POWER OF THE LEK

The cost of living in Albania is high in terms of leks. The daily wage of workers is between 70 and 75 leks and the monthly salary of white collar workers is reported at about 2,700 leks.^{1/} This money is hardly sufficient to cover his basic needs. Although there are state cooperative shops and rationing, the goods available through these methods are believed generally insufficient for needs.

A kilo of corn (maize) costs 3 leks in the cooperative shops but only 5 kilos are distributed per month. The Albanian must supplement this with maize sold for 180 leks in the open market. Beans are sold in the cooperatives for 24 leks, and on the open market for 200 leks. There is no sugar, rice, macaroni, or oil for distribution for coupons and these items must be purchased on the free market.^{2/} Shoes made in Albania call for 600 leks in the cooperatives, 800 on the open market, and are worn out in 20 days.^{3/} To get a decent pair of shoes one is compelled to buy Czechoslovak leather shoes at 1,200 to 1,600 leks.^{4/} To purchase a chicken, a loaf of bread, and a little over two pounds of cheese on the open market costs about 500-600 leks or almost a week's work.

Despite this rather sorry picture, the Bulgarian radio reports increasing wages and decreasing costs. Salaries have been increased by 8 percent over 1950^{5/} with workers salaries going up 13 percent.^{6/} More furniture, food, clothing, and radio sets were purchased in 1951 than 1950, but it is not known if this quantity is based on cooperative or total purchases.^{7/} Furthermore, savings accounts rose some 77 percent last year over 1950.^{8/} In view of the drastic monetary reforms taking place in the Soviet Bloc which are wiping out savings, it seems unlikely that the real value of such savings can be very high although there may be some form of compulsory savings to absorb any surplus purchasing power.

It is probable that the actual cost of living in Albania lies somewhere between the two extremes for the worker does get certain production bonuses, and other special allowances for large families etc. The peasant in Albania, similar to the peasant in any other country can put some of his produce aside despite any penalties attached. Some commodities are available at rationed prices and certainly part of a man's needs can be met at controlled prices. This does not deny, however, that he is compelled to purchase some necessities in the open market, and the vast differences between controlled and free prices give an indication of the demand to supplement the official diet. The percentage difference between controlled and free prices will give some indication of amounts available under controlled prices as a reflection of demand. In terms of the average wage received, a man would have difficulty living on 2700 leks a month unless he could supplement his needs through other means than just his salary.

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APPENDIX "A"

<u>COMMODITY</u>	<u>UNIT</u>	<u>CONTROLLED</u>	<u>COST</u>	<u>FREE</u>	<u>LEKS</u>
Maize	kilo	3 <u>2/</u>		180 <u>2/</u>	
Beans	kilo	24 <u>2/</u>		200 <u>2/</u>	
Sugar	kilo	none avail.		250 <u>2/</u> - 350 <u>11/</u>	
Rice		none avail.			
Macaroni		none avail.			
Butter	kilo	600 <u>10/</u>		500 <u>2/</u> - 800 <u>10/</u>	
Oil	kilo	250 (not avail) <u>2/</u>		400 <u>2/</u>	
Bread	kilo	6 <u>10/</u>		100 - 200 <u>10/</u>	
Meat	kilo	48 <u>10/</u>		110 <u>11/</u> - 115 <u>10/</u>	
Eggs	kilo	8 <u>10/</u>		15 <u>10/</u>	
Chicken	one			200 <u>11/</u>	
Cheese	kilo			200 <u>11/</u>	
Wheat	oke			130 <u>11/</u>	
Shoes	pair	600 <u>10/</u>		800 <u>10/</u>	
Czech shoes	pair			1200 - 1600 <u>10/</u>	

Official exchange rate of the lek is 37 to the dollar. Free rate is about 250 to the dollar.

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APPENDIX "B"

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SOURCES

1. [REDACTED]
2. Ibid
3. Ibid
4. [REDACTED]
5. [REDACTED]
6. FBIS, Albania, 22 April 52
7. Ibid
8. FBIS, Albania, 7 May 1952
9. [REDACTED]
10. [REDACTED]
11. [REDACTED]

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BULGARIA

COST OF LIVING AND PURCHASE POWER OF THE LEVA

The average citizen has had about 50 percent of his purchasing power confiscated by the recent monetary reform in Bulgaria, even though free prices have been reduced by about 25 percent. His savings have been practically abolished, and unless he can supplement his salary from other sources, he will have a difficult time making both ends meet.

As of May 22, 1952, all ration coupons for bread, flour, macaroni, rice, vegetable and animal fats, meat, fish, milk, dairy products, cheese, biscuits, laundry and toilet soap were abolished. The same applies to a wide range of other commodities from fabrics to radio sets. From that date on these goods were to be sold at uniform State controlled prices, and the free prices were being automatically reduced by approximately 25 percent.¹ The state controlled prices, however, are about double the previous coupon prices.² Furthermore, rationing is being instituted for a number of building goods.

Savings were exchanged at ratios varying from 100 old leva for one new leva to 100 old leva for four new leva. Ready cash was exchanged at 100:1. These measures effectively disposed of any savings in cash. Wages were drastically recalculated at 100:4. Certain increases in wages, however, varying from 2400 leva to 1300 leva per month were awarded depending on the physical exertion involved, which partly offset the effects of the reform.³ A chief surgeon in a first class hospital received a pre-reform salary of 19,500 leva per month.⁴ The reform cut this down to 780 levas. Workers engaged in productive work demanding little physical exertion obtained a wage increase of 1300 leva, making the surgeons present salary 2080 levas. A reduction of 90 percent. Workers in heavy industries received a wage raise of 2400 levas and given a lesser total salary their reduction might be closer to 60 percent.

Since wages have been reduced by 90 to perhaps 60 percent and free prices of goods about 25 percent with some additional allowance for food remunerations and commodities that could be purchased at previous rationed prices, the cost of living in Bulgaria has gone up about 50 percent. The purchasing power of the leva has been raised about 25 percent merely because the State controlled prices have forced the price down. The ready cash has not been accumulated, however, to take advantage of the compulsory fall in prices because the Bulgarian is getting about a third of what he used to get and his savings have been wiped out.⁵ Consequently, although things will be cheaper in Bulgaria the average citizen will not have the money to spend to purchase them.

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APPENDIX A

SOURCES

1. FBIS, Bulgaria, KK 1-KK14, 12 May 52
2. News From Behind the Iron Curtain, National Committee for a Free Europe, Inc. Vol. 1, No. 6, June 1952, p. 21
3. State, Desp - 2136, Hague, May 28, 1952
4. News From Behind the Iron Curtain, op. cit. p. 45